

administering the HAP, uses the Headquarters, U.S. Army Corps of Engineers (HQUSACE) to implement the program.

§ 239.2 Applicability and scope.

This part applies to the Office of the Secretary of Defense, the Military Departments (including the U.S. Coast Guard), the Chairman of the Joints Chiefs of Staff, the Combatant Commands, the Inspector General of the Department of Defense, the Defense Agencies, DoD Field Activities, and all other organizational entities within the Department of Defense (hereafter referred to collectively as the “DoD Components”). This part for Expanded HAP is applicable until September 30, 2012, or as otherwise extended by law.

§ 239.3 Policy.

It is DoD policy, in implementing section 3374 of title 42, United States Code, as amended by section 1001 of the ARRA (Pub. L. 111–5), that those eligible (see section 239.6 of this part) to participate in the HAP and Expanded HAP are treated fairly and receive available benefit as quickly as practicable.

§ 239.4 Definitions.

(a) *Armed Forces.* The Army, Navy, Air Force, Marine Corps, and Coast Guard (see section 101(a) of title 10, U.S.C., as stipulated in section 1001(p) of Public Law 111–5).

(b) *Closing costs.* Sellers’ closing costs typically include: loan payoff fees; the real estate commission; title insurance; all or part of transfer taxes and escrow fees, if there are any; attorney’s fees where applicable; and other fees set by local custom. HAP pays sellers’ closing costs that are customary for the region where the home is located. Applicant’s realtor or lender can provide the applicant with the normal closing costs for his/her region. HAP will reimburse the seller for limited contributions made to the buyer’s portion of closing costs, including appraisal cost and realtor fees.

(c) *Deficiency judgment.* Judicial recognition of personal liability under applicable state law against a Service member whose property was foreclosed on or who otherwise passed title to another person for a primary residence

through a sale that realized less than the full outstanding mortgage balance.

(d) *Deployment.* Performing service in a training exercise or operation at a location or under circumstances that make it impossible or infeasible for the member to spend off-duty time in the housing in which the member resides when on garrison or installation duty at the member’s permanent duty station, or home port, as the case may be.

(e) *Eligible mortgage.* A mortgage secured by the primary residence that was incurred to acquire or improve the primary residence. For a mortgage refinancing the original mortgage(s) or for a mortgage incurred subsequent to purchasing the property, funds from the refinanced or subsequent mortgages must be traced to the purchase of the primary residence or have been used to improve the primary residence. Home improvements that are documented (even if not financed through a subsequent mortgage or line of credit) may be added to the purchase price of the primary residence. Funds from a refinanced or subsequent mortgage that were used for other purposes are not eligible and may not be considered. Benefits will be calculated using the amount of \$729,750 for primary residences with an eligible mortgage that exceeds \$729,750. The total benefit payable (excluding allowable closing costs) shall not exceed \$729,750. The ARRA expanded HAP calculates PFMV as the purchase price plus improvements. Improvements are identified in the Internal Revenue Publication #523 (<http://www.irs.gov/publications/p523/ar02.html>) which outlines items considered home improvements and distinguishes improvements from repairs and maintenance.

(f) *Forward deployment.* Performing service in an area where the Secretary of Defense or the Secretary’s designee has determined that Service members are subject to hostile fire or imminent danger under section 310(a)(2) of title 37, U.S.C.

(g) *Primary residence.* The one- or two-family dwelling from which employees or members regularly commute (or commuted) to their primary place of duty. Under § 239.6(a) and (b) of this part, the relevant property for which compensation might be offered must